

ASSEMBLY BILL

No. 1684

Introduced by Assembly Member Leno

February 21, 2003

An act to add Section 750 to the Public Utilities Code, relating to energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1684, as introduced, Leno. Distributed energy.

Existing law authorized the Department of Water Resources, until January 2, 2003, to enter into contracts for the purchase of electricity, to sell electricity to retail end use customers and, with certain exceptions, to local publicly owned electric utilities, at not more than the department's acquisition costs. Existing law provides for the repaying of the department's acquisition costs.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law provides that the commission must require every electrical corporation under the operational control of the Independent System Operator as of January 1, 2001, to modify its tariffs so that customers that install distributed energy resources, as defined, are served under rates, rules, and requirements identical to those of a customer within the same rate schedule that does not use distributed energy resources, and to withdraw any provisions in otherwise applicable tariffs that activate other tariffs, rates, or rules if a customer uses distributed energy resources. These provisions do not relieve a customer of any obligation determined by the commission to result from participation in the purchases of electricity by the department.

This bill would exclude solar installations from any cost responsibility surcharges that the commission may impose upon customer generation departing load.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares each of the
2 following:

3 (a) The Public Utilities Commission in Rulemaking 02-01-011
4 (Order Instituting Rulemaking Regarding the Implementation of
5 the Suspension of Direct Access Pursuant to Assembly Bill 1x and
6 Decision 01-09-060) is considering the adoption of a cost
7 responsibility surcharge mechanism for customer generation
8 departing load.

9 (b) The imposition of cost responsibility surcharges would
10 impose a strong disincentive to investments in solar technology
11 that would reduce the risk of future electricity shortages.

12 (c) The Legislature intends to exclude solar installations from
13 any cost responsibility surcharges that the commission may
14 impose upon customer generation departing load.

15 SEC. 2. Section 750 is added to the Public Utilities Code, to
16 read:

17 750. Notwithstanding any other law, the commission shall not
18 impose any cost responsibility surcharge for customer solar
19 generation departing load.

